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DISPATCH		CLASSIFICATION S-E-C-R-E-T	DISPATCH SYMBOL AND NO. EGFA-34750
TO INFO	Chief, SR Chief, EE Chief of Station, Germany	HEADQUARTERS FILE NO. 74-124-29/3	
FROM	Chief of Base, Frankfurt	DATE	12 July 1961
SUBJECT	REDWOOD AERODYNAMIC OPERATIONAL Final Progress Report - 15 March-4 July 1961	RE: "43-3"-(CHECK "X" ONE)	
ACTION REQUIRED	See Paragraph 2	X	MARKED FOR INDEXING NO INDEXING REQUIRED INDEXING CAN BE JUDGED BY QUALIFIED HQ DESK ONLY

REFERENCE(S)

1. Summary

During the period covered by this report AECASSOWARY/29 has recruited, dispatched, and debriefed AECASSOWARY/43 on a REDSKIN mission to FJSTEAL. The results were forwarded in EGFA-34543, 23 June 1961, and EGFA-34580, 29 June 1961. AECASSOWARY/29 has debriefed and assessed Damian-Ireny Severinovich SAPRUN in Vienna and re-debriefed Maria OKOLOT in Sweden. AECASSOWARY/29 developed Anfir OSTAPCZUK as a spotter in the Dolmetscher Institute in Heidelberg and through him located two REDSKIN leads. These two leads have been turned over to the AESAVVY Project. AECASSOWARY/29 attempted to recruit Oksana JACKIV in Paris but discovered that she was still stateless and therefore not usable. AECASSOWARY/29 also discussed the potential REDSKIN agents among the Ukrainian emigres in Paris with Kyrylo MYTROVICH, an AECASSOWARY/1 sympathizer, and reported his findings to the []

[] In view of AECASSOWARY/29's PCS, he instructed his spotters in Germany and Sweden to become inactive temporarily and to communicate with AECASSOWARY/29 through an accommodation address in New York. AECASSOWARY/29 was unable to contact Nadezhda MALSCH, Andre DEVINCINZ, and Wolfgang GESEMANN, three potential REDSKIN leads, and the latter was turned over to the AESAVVY Project. AECASSOWARY/29 was not able to obtain a British visa in sufficient time and could not contact Roman SHPONLIUK and AECASSOWARY/35 in London prior to his departure. AECASSOWARY/29 has made an orderly withdrawal from Europe on 4 July 1961, and we have closed down the operational activities of AERODYNAMIC at FOB.

2. Action Required

See paragraph 5b below.

3. Production in Terms of Project or Intelligence Operations

a. AECASSOWARY/29 recruited AECASSOWARY/43 as a REDSKIN agent for a mission to FJSTEAL in the name of AECASSOWARY/1. AECASSOWARY/43 was not witting of KUBARK. After training and briefing, AECASSOWARY/29 dispatched AECASSOWARY/43 on 4 May 1961, on a fifteen-day tourist trip with the specific mission of observation of guided missile indicators in the Mukachevo area and the general mission of collecting positive intelligence and operational information through observation and elicitation in the Kiev, Lvov, and Uzhgorod areas. AECASSOWARY/43 was not given either a photographic mission or a recon-tact mission. AECASSOWARY/43 did not obtain positive intelligence in response to the specific requirements on guided missile indicators on which he was briefed. He did, however, observe and photograph some radar antennae, and he collected some pertinent operational intelligence. The debriefing report was forwarded in EGFA-34543, 23 June 1961, and EGFA-34580, 29 June 1961.

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b. AECASSOWARY/29 debriefed and assessed Damian-Ireny Severinovich SAPRUN, a recent returnee from FJSTEAL to Austria. Although SAPRUN was completely co-operative in his debriefing, AECASSOWARY/29 concluded that SAPRUN was probably dispatched by the RIS on a mission. AECASSOWARY/29 is convinced that all the information and internal leads provided by SAPRUN must be examined carefully before any operational activity is undertaken. The debriefing report was forwarded in EAVA-27652, 12 May 1961.

c. AECASSOWARY/29 debriefed Maria OKOLOP, mother of AECASSOWARY/34, in Stockholm in response to requirements received from Headquarters. Although AECASSOWARY/29 is confident that OKOLOP is a bona fide immigrant to Sweden without RIS connections, he feels that caution should be exercised in making operational contacts with the internal leads without further assessment of the lead. This additional information was forwarded from Stockholm Station to Headquarters in OSSA-10518, 23 June 1961.

d. AECASSOWARY/29 developed and recruited Anfir OSTAPCZUK [] as a spotter at the Dolmetscher Institute at Heidelberg. OSTAPCZUK spotted two REDSKIN leads who agreed in principle to make a trip to FJSTEAL. Pursuant to DIR 37009, 27 April 1961, AECASSOWARY/29 did not contact these two leads, and these leads have been turned over to the AESAVVY Project. OSTAPCZUK has completed his studies at the Dolmetscher Institute and is now searching for a position as a translator in a German firm. AECASSOWARY/29 reported that OSTAPCZUK would be willing to resume his spotting functions when he has obtained a position. AECASSOWARY/29 has not given OSTAPCZUK a communications system but can always reach him through his father if necessary.

e. While on TDY in Paris, AECASSOWARY/29 attempted to recruit Oksana JACKIV for a mission to FJSTEAL in conjunction with a possible position as an interpreter for the French Exhibition. JACKIV, however, is still stateless and cannot be used operationally. AECASSOWARY/29 also discussed with Kyrylo MYTROVICH [] an AECASSOWARY/1 sympathizer, the REDSKIN potential among the Ukrainian emigres with French citizenship. On the basis of these discussions AECASSOWARY/29 felt strongly that there is an operational potential among these emigres and reported this conclusion to the Paris Station.

f. Pursuant to DIR 43798, 6 June 1961, AECASSOWARY/29 contacted his spotters in Germany and Sweden and halted temporarily their operational activities. He has given these spotters the [] accommodation address in New York and has instructed them to keep in touch with him in open code. We have forwarded to Headquarters PRQ Parts I and II on these spotters for possible future use but have requested that the POA's be cancelled pending reactivation in EGPA-34739, 7 July 1961.

g. AECASSOWARY/29 did not contact Nadezhda MALSCH, a possible REDSKIN lead discovered through the Ukrainian language AEJAMMER materials. MALSCH is still corresponding with her relatives in FJSTEAL, but her pending visit has not yet materialized. We have requested that her POA be cancelled. AECASSOWARY/29 has not contacted Andre DEVINCINZ, since we have discovered that he is still stateless and not usable as a REDSKIN agent. We have requested that his POA be cancelled. AECASSOWARY/29 did not contact Wolfgang GISEMANN pursuant to DIR 37009, 27 April 1961, and this lead has been turned over to the AESAVVY Project.

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h. AECASSOWARY/29 did not obtain a stopover visa to London and therefore could not contact Roman SHFORLIUK or AECASSOWARY/35. The British Consulate stated to AECASSOWARY/29 that it would take from ten days to two weeks to obtain such a visa but that there was no guarantee that the visa would be issued at that time. AECASSOWARY/29 decided not to apply for the visa under these circumstances, although he understood the importance that AECASSOWARY/2 imputed to the SHFORLIUK contact.

i. AECASSOWARY/29 has continued to examine the Ukrainian language AEJAMMER materials. He has not found these materials productive of REDSKIN leads, since the few emigres who were planning trips were actually repatriating and did not appear to be likely REDSKIN candidates. He has not found the materials productive in positive intelligence because of the caution the Soviet Ukrainians exercised. However, we will forward under a separate dispatch the working card file which AECASSOWARY/29 maintained on these materials.

4. Agent Performance

a. AECASSOWARY/29 has continued to maintain his usual standard of performance in financial and administrative functions and in maintaining his cover and security. From an overall operational point of view, we feel that AECASSOWARY/29 has shown ability in tradecraft and methods of operation in establishing himself and in his conduct within the operational climate in Germany. We have seen that he can move confidently within his cover and can make contacts with his spotters in an expert clandestine manner. We have not seen any lapses of good operational practices and feel that this aspect of his operational practice is of high quality.

b. We are not entirely satisfied with the results of AECASSOWARY/29's spotting mechanism. AECASSOWARY/29 has had some difficulty in selecting spotters who have continuous access to the various groups of Ukrainians in Germany and who are operationally alert to potential REDSKIN leads. AECASSOWARY/29 has recognized that he has made just a beginning in this field and had begun to reassess his spotters and to search for new, better qualified spotters. He has also concluded that he must have spotters in each center where there are Ukrainians rather than rely on a few spotters who must then move around Germany. AECASSOWARY/29 was in the process of selecting these new spotters, but he was moving perhaps too cautiously in an attempt to avoid being involved in possible security situations. This has been a wise precaution but has reduced the total effectiveness of the spotting mechanism in Germany. AECASSOWARY/29 has stated that it would take about a year to recruit and to train an optimum number of qualified spotters. AECASSOWARY/29 was just beginning to do his own spotting, but in deference to recruiting and training AECASSOWARY/43, he was compelled to postpone this activity.

c. We have expressed our opinion concerning AECASSOWARY/29's performance in mounting a REDSKIN operation in EGFA-34543, 23 June 1961. We concluded that AECASSOWARY/29's performance was not up to expected standards and that he required more experience under the guidance of a case officer before he could be considered as qualified to run such operations by himself. We recognize that our evaluation was based on only one operation and upon the results of that operation, since we did not participate directly in this operation. We are of the opinion, however, that AECASSOWARY/29 possesses the basic qualifications of a good operator and that he should become a qualified principal agent because of his willingness and ability to learn through experience.

d. Although AECASSOWARY/29's performance was not affected, his morale dropped considerably during June. This diminution was based upon the results of the AECASSOWARY/43 operation and on the turn of events concerning his assignment at FOB. AECASSOWARY/29 recognized that he had not done a satisfactory job with AECASSOWARY/43 and that the lack of operational success was in a large part his responsibility. AECASSOWARY/29 was quite objective in this observation. He was also discouraged by the fact that he had produced only one operation in ten months and that he was judged by this one operation. He believed that he would have been more productive and more successful if he had not been restricted to operating in Germany and with potential agents with Ukrainian backgrounds. Therefore, his termination at FOB would not have been based upon his performance, but on lack of operational opportunities in Germany. We believe this state of mind was in part the basis for AECASSOWARY/29's desire to return to Headquarters as soon as possible.

5. Finance and Administration

a. The following table presents our operational and overhead expenditures for this period (in DM):

<u>Month</u>	<u>Travel</u>	<u>Per Diem</u>	<u>Operational</u>	<u>Overhead</u>
March	277.00	192.00	258.95	1,000.00
April	633.60	546.85	376.42	47.20
May	742.50	954.76	368.00	25.66
(A/43)			7,580.31	
June	<u>1,001.00</u>	<u>907.15</u>	<u>156.02</u>	<u>89.33</u>
Totals	2,654.10	2,600.76	8,739.70	1,162.19

Grand Total: 15,156.75

Our total expenditures for the project to date is DM 26,593.88, of which 5,839.87 (22 per cent) was for travel; 5,610.83 (21 per cent) for per diem; 11,300.29 (43 per cent) was for operations including AECASSOWARY/43; and 3,842.89 (14 per cent) for overhead. We have already released \$3,000 to Headquarters from the FOB FY-1961 approval. We have had a final accounting with AECASSOWARY/29, and his account with us is clear with the exception of two items: the DM 500 Kaution money paid to the safe apartment agent and the cost of the original New York to Frankfurt and return airplane ticket. Although we broke the lease on the safe apartment, AECASSOWARY/29 has arranged for the apartment agent to return a part of this sum to AECASSOWARY/29 in New York if the apartment is rented prior to 15 July 1961. We are writing this sum off at FOB, but we request that Headquarters obtain the sum from AECASSOWARY/29 if the agent forwards it. AECASSOWARY/29 reported that he had received the funds for the airplane ticket from AECASSOWARY/2 in New York and does not know whether this is a cost to KUBARK or to AECASSOWARY/1. We have not reimbursed him for this ticket, since he is now using the return half, and request that Headquarters settle this problem directly with AECASSOWARY/2.

b. AECASSOWARY/29 has returned all operational equipment, including the safe in the concealment device, to use and has closed out the safe apartment. He has turned over to use all his sensitive files and materials, which we will forward to Headquarters. He has deregistered with the Frankfurt police without difficulty, although his request for extension of visa was apparently never acted upon. We will return to MKTOPAZ all the documentation with the exception of the Belgian Titre de Voyage, which was prepared for AECASSOWARY/29 and request that these documents be retained for possible future use by AECASSOWARY/29. The Titre de Voyage will be returned to the ☐ for disposal.

c. Inasmuch as AECASSOWARY/29 is not a ☐ contract agent, we have taken no steps to terminate him formally here. We have not executed a quit claim, a secrecy agreement, nor established a recontact system. We defer to Headquarters as to whether these steps are appropriate at this time. However, in closing out this operational activity at FOB, we will retire the operational files for destruction in July 1962, unless Headquarters directs some other disposition. We will forward AECASSOWARY/29's 201 file or original materials, including our contact reports, unless Headquarters desires us to retain them here.

6. Commitments

No commitments have been made.

7. Security

We believe that we have had no security breaches in connection with AECASSOWARY/29's activities in Europe. We have consistently avoided associations and activities which would be expected to cause a possible security incident. We feel confident that AECASSOWARY/29's unofficial cover has been adequately maintained, and we have no reason to anticipate any repercussions in the future as a result of his stay or operational activities in Germany.

8. Prospective Developments and Planning

We have now concluded at FOB the operational activity of AECASSOWARY/29 under Project AERODYNAMIC. We believe that we have fully tested in Germany both the operational mechanism provided by the supporters and sympathizers of the AECASSOWARY/1 organization and the REDSKIN potential of the Ukrainian emigres residing in Germany. We conclude that this approach to REDSKIN operations as it has developed over the past ten months is not as efficient or as productive as other avenues of operational activity open to us and therefore does not warrant the time and effort which must be devoted to it. We have expressed our position in detail in EGFA-34199, 11 May 1961. We are not unappreciative of the fact that this approach to REDSKIN operations may be more successful in other areas where the REDSKIN Ukrainian potential is greater and where the operating circumstances may be more conducive. Our decision to call a halt to the AERODYNAMIC operational activity at FOB is based on the conclusion that under our operational circumstances in Germany we cannot afford the time and effort to support and maintain marginal activities.

APPROVED: ☐

Distribution:

- 2 - SR ✓
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- 1 - EE